

APPENDIX A TO PART 4001—CALCULATION OF UPFRONT PAYMENT OR FUTURE
APPRECIATION PAYMENT

Subordinate mortgage lien holder's cumulative combined loan-to-value ratio	Upfront payment option Percent of unpaid principal and interest that lien holder is eligible to receive # (percent)	Future appreciation option* Percent of unpaid principal and interest that lien holder is eligible to receive # (percent)
>135%	3	9
≤135%	4	12

* A payment to a subordinate mortgage lien holder will depend on actual appreciation of the property as determined in accordance with 24 CFR 4001.120. Payment will be made according to the subordinate lien holder's position of priority in relation to the property at the time the Program mortgage is originated.

Payment will be based upon principal and interest as of the first day of the month in which the borrower made application for the Program mortgage, calculated at the pre-default contract rate of interest.

[74 FR 622, Jan. 7, 2009]